Implementation of VAT

4120. SHRI K. RAMA MOHANA RAO : Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state :

(a) whether it is a fact that majority of the States have expressed their willingness to implement VAT from June, 2003;

(b) whether there is any specific provision relating to VAT and decision of legislative powers between the Union and States under the current constitutional scheme; and

(c) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN) : (a) to (c) As per Entry 54 of List II (State List) of the Seventh Schedule of the Constitution of India, tax on sale or purchase of goods is a State subject. On the recommendations of the Chief Ministers' Conference held on 22nd June 2000, an Empowered Committee of State Finance Ministers has been constituted which is empowered to take decisions on various issues relating to State-level Value Added Tax (VAT), including its introduction by States. This Committee has informed that Haryana has introduced a VAT regime with effect from 01-04-2003 and that 15 other States have also indicated their willingness to introduce VAT with effect from 01-06-2003.

Road map for introduction of VAT

4121. SHRI R.P. GOENKA : Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state :

(a) whether Government have taken a fresh decision on the road map for introduction of the Value Added Tax (VAT) regime in the country;

(b) if so, the details thereof;

(c) whether any study has been made to assess the negative impact of the uncertainty prevailing over a period of time and the sudden postponement of the VAT regime, originally proposed from 1st April, 2003, on companies' inventory stocks and losses across various States and product categories;

(d) if so, the details thereof; and

(e) an analysis of the views expressed by various States so far on the new system?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN) : (a) and (b) As per Entry 54 of List II (State List) of the Seventh Schedule of the Constitution of